Junzhi Wang & Anor v TC Pharmaceutical Industries Co Ltd

HIGH COURT (KUALA LUMPUR) — CIVIL SUIT NO WA-221P-58–09 OF 2021
AZLAN SULAIMAN JC
26 SEPTEMBER 2023

Civil Procedure — Jurisdiction — High Court — Jurisdiction of High Court to review and set aside decision of Administrative Panel formed by Arbitration and Mediation Centre of the World Intellectual Property Organization ('WIPO') — Whether court had jurisdiction to hear and adjudicate challenge against WIPO's decision — Whether challenge against WIPO's decision constituted abuse of process — Courts of Judicature Act 1964 ss 23 & 24 — Federal Constitution art 121

Tort — Passing off — Elements of passing off — Domain named registered in China — Claim for passing off in Malaysia — Whether goodwill and reputation established — Whether misrepresentation established — Whether court had jurisdiction to hear and decide claim for passing off

Tort — Unlawful interference with trade — Elements of — Whether there was interference with trade or business — Whether unlawful means established — Whether intention to injure established — Whether injury established — Whether unlawful interference with trade established

The defendant, the manufacturer of beverages under the 'Red Bull' brand name and three other parties had entered a joint venture to produce and sell Red Bull vitamin energy drinks in China, with the second plaintiff as the joint venture company. For this purpose, license agreements were entered into by the parties to enable the second plaintiff to use the Red Bull trademarks. Several trademarks using the Red Bull name or the Chinese equivalent were subsequently registered in China ('the China trademarks'). However, none of the license agreements permitted the plaintiffs to register or use any domain names using the Red Bull name. The dispute arose when the second plaintiff had registered 11 domain names ('the domain names') using the Red Bull name and the first plaintiff then acquired the domain names without the defendant's consent. Pursuant to a registration agreement ('the registration agreement') between a company known as Webnic and the first plaintiff, the first plaintiff was the registrant of the domain names. The defendant had brought an action in China in relation to the ownership of the China Trademarks and the China Supreme Court in affirming the decision of the Higher People's Court ruled

that the defendant was the legal owner of the said trademarks. The defendant then filed a complaint with the Arbitration and Mediation Centre of the World Intellectual Property Organization ('WIPO') against the first plaintiff pursuant to the Uniform Domain Name (Domain Name) Dispute Resolution Policy ('UDRP') and the Rules for Uniform Domain Name Dispute Resolution Policy ('the Rules') ('the WIPO complaint'). The relief sought pursuant to s 41 of the UDRP was for the transfer of the domain names from the first plaintiff to the defendant. The WIPO panel decided on the WIPO complaint in favour of the defendant ('the WIPO decision'). Thereafter, the plaintiffs filed the present action premised on the cause of action that the filing of the WIPO complaint was in itself an unlawful interference with the plaintiffs' trade. The defendant on the other hand counterclaimed for passing off, unlawful interference with the defendant's trade and abuse of legal process. The issues to be considered were: (a) whether the court had jurisdiction to hear and adjudicate the plaintiffs' challenge to the WIPO decision; (b) whether the court should grant the relief sought, including to set aside the WIPO decision; (c) whether the filing of the WIPO complaint by the defendant against the first plaintiff constituted unlawful interference with the plaintiffs' trade; (d) whether the court had jurisdiction to hear and determine the defendant's counterclaim for passing off; (e) whether the plaintiffs' acts of registering and/or operating the domain names constituted passing off; (f) whether the plaintiffs had unlawfully interfered in the defendant's trade; and (g) whether the defendant's action was an abuse of process.

Held, dismissing the plaintiffs' action and allowing the defendant's counterclaim against the plaintiffs for abuse of the court with costs of RM100,000 to be paid by the plaintiffs to the defendant, subject to allocator:

(1) None of the provisions of the Courts of Judicature Act 1964 ('the CJA') relating to the original, appellate, or revisionary jurisdiction of the High Court were applicable in the present case to confer on the court the jurisdiction to hear and determine any action to challenge a decision of an administrative panel formed under UDRP or the Rules. Further, none of limbs (a)–(d) of s 23(1) of the CJA were satisfied here, and none of those specific instances in s 24(a)–(g) of the CJA involved or covered reviewing or setting aside an order made by WIPO. In addition, as the registration agreement was a private arrangement or agreement between Webnic and the first plaintiff, and not the defendant, it did not by itself confer jurisdiction on this court. The jurisdiction of this court could only be conferred by the Federal Constitution, and art 121 of the Federal Constitution expressly stated that the High Courts shall have only such jurisdiction and powers as may be conferred by or under federal law, in this case the CJA. A private agreement between contracting parties could not override the express provisions of art 121 of the Federal Constitution or ss 23 and 24 of the CJA. The court therefore found that the court did

not have jurisdiction to hear and adjudicate the plaintiffs' challenge to the WIPO decision (see paras 26–27 & 30–31).

(2) It was not the court's function to act as a judicial review or appellate body of any decision made under the UDRP scheme. There was also no practical utility in granting declaratory relief because the UDRP scheme had dealt with the issue between the parties, and any declaration made by the court could not alter the findings of the administrative panel. Further, the counsel for the parties agreed that the background facts set out in both the China Supreme Court decision and the WIPO decision were accurate, as such, the court should not interfere with or second guess the administrative panel's findings and decision which were based on those facts. In addition, whilst para 4 of the UDRP spoke of a 'mandatory administrative proceeding', para 4(k) offered the disputants an opt-out option. If they did not opt-out, then they were bound by the decision of the panel that decided their dispute. Having opted to stay in, submitting that same dispute to court would be asking for a second bite at the cherry, akin to a *de novo* re-hearing of the dispute. Based on the above findings, the court ruled that even if the court had jurisdiction to hear and adjudicate the plaintiffs' challenge to the WIPO decision, the court should not grant the relief sought, including to set aside the WIPO decision (see paras 38 & 43–46).

(3) The plaintiffs had failed to establish any of the elements for the tort of unlawful interference with trade or business. Firstly, the first plaintiff had no trade or business of her own to be interfered with. Further, considering that the defendant's complaint was only against the first plaintiff, as such, the filing of the complaint could not have interfered with the second plaintiff's trade. The court also found that there was no unlawful means whatsoever in the defendant's filing of the complaint against the plaintiffs with WIPO, nor could there have been any intention to injure any of the plaintiffs. The order in the WIPO decision for the domain names to be transferred to the defendant was provided for under para 4(i) of UDRP, was the result of the successful action by the defendant to protect its rights and could not constitute an 'injury' to the plaintiffs (see paras 50–52, 55 & 62).

(4) The court found on the evidence that the defendant did have goodwill and reputation in the 'RED BULL' marks in Malaysia. This was not just demonstrated by the decades of trade in several countries and from the trademarks it had registered in multiple jurisdictions, but also by the fervour in which the plaintiffs themselves had sought over many years now to continue to use the domain names (see para 67).

(5) The court disagreed with the defendant's argument that the fact that the domain names would appear when an online search was made of 'RED BULL' by anyone in Malaysia constituted a misrepresentation for passing

off in Malaysia. To adopt that stand would mean that simply anyone who used the 'RED BULL' trademarks or name anywhere in the world would be committing passing off in Malaysia, even if they did not have any presence here or conduct any trade here. That would be too far-reaching. It was the act of registration of those domain names that constituted the false representation for passing off. As the plaintiffs had registered the domain names in China, the defendant's cause of action for passing off arose in China, not here. The court therefore had no jurisdiction to hear and decide the defendant's counterclaim for passing off and even if the court did have such jurisdiction, the defendant had failed to establish the necessary ingredient of misrepresentation (see paras 73–76).

(6) The defendant argued that by committing passing off, the plaintiffs had committed the tort of unlawful interference with the defendant's business and trade. However, considering that the defendant failed to establish its claim for passing off, the natural consequence would be that the tort of unlawful interference with trade would likewise fail (see paras 78 & 81–82).

(7) The court had the jurisdiction to decide the defendant's counterclaim for abuse of process as it was this action itself and not any antecedent claim that was in issue. In any event, the court had inherent jurisdiction to make any order if its process was abused. Based on all the findings and reasons above that culminated into the court's decision in dismissing the plaintiffs' claim against the defendant for unlawful interference with trade, the court agreed with the defendant that the filing of this action itself constituted an abuse of process. Further, the action by the plaintiffs in adducing in this court an agreement which allegedly gave the second plaintiff the exclusive right to manufacture and sell the 'RED BULL' drinks, which authenticity was held to be doubtful by the China Supreme Court and WIPO, was nothing short of an undisguised, unsavoury and disingenuous attempt by the plaintiffs to challenge the outcome of those proceedings in China and WIPO on evidence in the hope of extracting a conflicting order from this court to override the such decision. This constituted a serious and grave abuse of the process of the court (see paras 86–88 & 92–94).

(8) The court found that general damages of RM200,000 were reasonable as the defendant has been deprived of the benefit and use of the domain names for two years since the WIPO decision. Exemplary damages of RM300,000 evinced the court's displeasure on the plaintiff's abuse of its process. The court further ordered that all damages awarded bore interest at the rate of 5%pa from the date of the writ until full settlement (see paras 96 & 98).

[Bahasa Malaysia summary

Defendan, pengeluar minuman di bawah jenama 'Red Bull' dan tiga pihak lain telah menjalin usaha sama untuk mengeluarkan dan menjual minuman tenaga vitamin Red Bull di China, dengan plaintif kedua sebagai syarikat usaha sama. Untuk tujuan ini, perjanjian-perjanjian perlesenan telah dimeterai oleh pihak-pihak untuk membolehkan plaintif kedua menggunakan cap dagangan Red Bull. Beberapa cap dagangan yang menggunakan nama Red Bull atau yang setara dengannya dalam bahasa Cina kemudiannya didaftarkan di China ('cap dagangan China'). Walau bagaimanapun, tiada satu pun perjanjian perlesenan tersebut membenarkan plaintif-plaintif mendaftar atau menggunakan mana-mana nama domain menggunakan nama Red Bull. Masalah timbul apabila plaintif kedua telah mendaftarkan 11 nama domain ('nama-nama domain tersebut') menggunakan nama Red Bull dan plaintif pertama kemudiannya memperoleh nama-nama domain tersebut tanpa kebenaran defendan. Menurut perjanjian pendaftaran ('perjanjian pendaftaran tersebut') antara syarikat yang dikenali sebagai Webnic dan plaintif pertama, plaintif pertama ialah pendaftar bagi nama-nama domain tersebut. Defendan telah membawa tindakan di China berhubung dengan pemilikan cap dagangan China tersebut dan China Supreme Court dalam mengesahkan keputusan Higher People's Court memutuskan bahawa defendan adalah pemilik sah cap dagangan tersebut. Defendan kemudiannya memfailkan aduan dengan Arbitration and Mediation Centre of the World Intellectual Property Organization ('WIPO') terhadap plaintif pertama menurut 'the Uniform Domain Name (Domain Name) Dispute Resolution Policy' ('UDRP') dan 'the Rules for Uniform Domain Name Dispute Resolution Policy' ('Peraturan tersebut') ('aduan WIPO'). Relif yang dipohon menurut s 41 UDRP adalah untuk pemindahan nama-nama domain tersebut daripada plaintif pertama kepada defendan. Panel WIPO memutuskan aduan WIPO tersebut dengan memihak kepada defendan ('keputusan WIPO'). Selepas itu, plaintif-plaintif memfailkan tindakan ini berdasarkan kausa tindakan bahawa pemfailan aduan WIPO itu sendiri merupakan campur tangan tak sah terhadap dagangan plaintif. Defendan pula menuntut bagi kelirupaan, campur tangan tak sah terhadap dagangan defendan dan penyalahgunaan proses undang-undang. Isu-isu yang perlu dipertimbangkan adalah: (a) sama ada mahkamah mempunyai bidang kuasa untuk mendengar dan mengadili cabaran plaintif terhadap keputusan WIPO; (b) sama ada mahkamah patut memberikan relif yang dipohon, termasuk mengenepikan keputusan WIPO; (c) sama ada pemfailan aduan WIPO oleh defendan terhadap plaintif pertama merupakan campur tangan tak sah terhadap dagangan plaintif; (d) sama ada mahkamah mempunyai bidang kuasa untuk mendengar dan menentukan tuntutan balas defendan bagi kelirupaan; (e) sama ada tindakan plaintif-plaintif mendaftar dan/atau mengendalikan nama-nama domain tersebut berjumlah kepada kelirupaan; (f) sama ada plaintif-plaintif telah campur tangan secara tak sah

dalam dagangan defendan; dan (g) sama ada tindakan defendan adalah penyalahgunaan proses.

Diputuskan, menolak tindakan plaintif-plaintif dan membenarkan tuntutan balas defendan terhadap plaintif-plaintif bagi penyalahgunaan mahkamah dengan kos RM100,000 dibayar oleh plaintif-plaintif kepada defendan, tertakluk kepada alokator:

(1) Tiada satu pun daripada peruntukan Akta Mahkamah Kehakiman 1964 ('AMK') yang berkaitan dengan bidang kuasa asal, rayuan atau penyemakan Mahkamah Tinggi terpakai dalam kes ini untuk memberikan mahkamah bidang kuasa untuk mendengar dan menentukan apa-apa tindakan untuk mencabar keputusan panel pentadbiran yang dibentuk di bawah UDRP atau Peraturan tersebut. Selanjutnya, tiada satu pun daripada bahagian (a)–(d) s 23(1) AMK dipenuhi di sini, dan tiada satu pun daripada keadaan-keadaan khusus dalam s 24(a)–(g) AMK yang melibatkan atau mencakupi semakan atau pengenepian sesuatu perintah yang dibuat oleh WIPO. Di samping itu, oleh kerana perjanjian pendaftaran tersebut adalah pengaturan atau perjanjian persendirian antara Webnic dan plaintif pertama, dan bukan defendan, ia tidak dengan sendirinya memberikan bidang kuasa kepada mahkamah ini. Bidang kuasa mahkamah ini hanya boleh diberikan oleh Perlembagaan Persekutuan, dan perkara 121 Perlembagaan Persekutuan dengan jelas menyatakan bahawa Mahkamah Tinggi hendaklah hanya mempunyai bidang kuasa dan kuasa yang mungkin diberikan oleh atau di bawah undang-undang persekutuan, dalam kes ini AMK. Perjanjian persendirian antara pihak-pihak yang berkontrak tidak boleh mengatasi peruntukan nyata perkara 121 Perlembagaan Persekutuan atau ss 23 dan 24 AMK. Oleh itu mahkamah mendapati bahawa mahkamah tidak mempunyai bidang kuasa untuk mendengar dan mengadili cabaran plaintif terhadap keputusan WIPO (lihat perenggan 26–27 & 30–31).

(2) Bukan fungsi mahkamah untuk bertindak sebagai badan semakan kehakiman atau badan rayuan bagi apa-apa keputusan yang dibuat di bawah skim UDRP. Juga tiada utiliti praktikal dalam memberikan relif pengisytiharan kerana skim UDRP telah menangani isu antara pihak-pihak, dan apa-apa pengisytiharan yang dibuat oleh mahkamah tidak boleh mengubah dapatan-dapatan panel pentadbiran. Selanjutnya, peguam bagi pihak-pihak bersetuju bahawa fakta latar belakang yang dinyatakan dalam kedua-dua keputusan China Supreme Court dan keputusan WIPO adalah tepat, oleh itu, mahkamah tidak seharusnya mengganggu atau mengkritik dapatan-dapatan dan keputusan panel pentadbiran yang dibuat berdasarkan fakta tersebut. Di samping itu, sementara perenggan 4 UDRP bercakap tentang 'mandatory administrative proceeding', perenggan 4(k) pula menawarkan pilihan untuk menarik diri kepada pihak yang mempertikaikan. Jika mereka

tidak memilih untuk menarik diri, maka mereka terikat dengan keputusan panel yang memutuskan pertikaian mereka. Setelah memilih untuk kekal dengan pilihan tersebut, tindakan menghujahkan hujahan yang sama kepada mahkamah akan berjumlah kepada 'asking for a second bite at the cherry', sama seperti pendengaran semula de novo hujahan tersebut. Berdasarkan dapatan-dapatan di atas, mahkamah memutuskan bahawa walaupun mahkamah mempunyai bidang kuasa untuk mendengar dan mengadili cabaran plaintif terhadap keputusan WIPO, mahkamah tidak seharusnya memberikan relif yang dipohon, termasuk mengenepikan keputusan WIPO (lihat perenggan 38 & 43–46).

(3) Plaintif-plaintif telah gagal untuk membuktikan mana-mana elemen bagi tort campur tangan tak sah terhadap dagangan atau perniagaan. Pertama, plaintif pertama tidak mempunyai perdagangan atau perniagaan sendiri untuk diganggu. Selanjutnya, memandangkan aduan defendan hanya terhadap plaintif pertama, oleh itu, pemfailan aduan tidak boleh mengganggu perdagangan plaintif kedua. Mahkamah juga mendapati bahawa tiada apa-apa cara yang tidak sah dalam pemfailan aduan oleh defendan terhadap plaintif-plaintif dengan WIPO, dan tidak mungkin ada apa-apa niat untuk mencederakan mana-mana plaintif. Perintah dalam keputusan WIPO supaya nama-nama domain tersebut dipindahkan kepada defendan telah diperuntukkan di bawah perenggan 4(i) UDRP, adalah hasil daripada tindakan defendan yang berjaya untuk melindungi haknya dan tidak membentuk 'kecederaan' kepada plaintif-plaintif (lihat perenggan 50–52, 55 & 62).

(4) Mahkamah mendapati berdasarkan keterangan bahawa defendan mempunyai muhibah dan reputasi dalam tanda 'RED BULL' di Malaysia. Ini bukan sahaja ditunjukkan oleh perdagangan selama berdekad di beberapa negara dan daripada cap dagangan yang telah didaftarkan dalam pelbagai bidang kuasa, tetapi juga oleh semangat di mana plaintif-plaintif sendiri telah berusaha selama bertahun-tahun untuk terus menggunakan nama-nama domain tersebut (lihat perenggan 67).

(5) Mahkamah tidak bersetuju dengan hujah defendan bahawa fakta bahawa nama-nama domain tersebut akan muncul apabila carian 'RED BULL' dibuat dalam talian oleh sesiapa sahaja di Malaysia membentuk salah nyataan bagi kelirupaan di Malaysia. Untuk menerima pakai pendirian tersebut bermakna bahawa sesiapa sahaja yang menggunakan cap dagangan atau nama 'RED BULL' di mana-mana sahaja di dunia akan melakukan kelirupaan di Malaysia, walaupun mereka tidak berada di sini atau menjalankan apa-apa perdagangan di sini. Itu akan menjadi terlampau meluas. Tindakan pendaftaran nama-nama domain tersebut yang sebenarnya membentuk representasi palsu bagi kelirupaan.

Memandangkan plaintif telah mendaftarkan nama-nama domain tersebut di China, kausa tindakan defendan untuk kelirupaan timbul di China, bukan di sini. Oleh itu mahkamah tidak mempunyai bidang kuasa untuk mendengar dan memutuskan tuntutan balas defendan bagi kelirupaan dan walaupun mahkamah mempunyai bidang kuasa sedemikian, defendan telah gagal untuk membuktikan elemen salah nyataan yang diperlukan (lihat perenggan 73–76).

(6) Defendan berhujah bahawa dengan melakukan kelirupaan, plaintif-plaintif telah melakukan tort campur tangan tak sah terhadap perniagaan dan perdagangan defendan. Walau bagaimanapun, memandangkan defendan gagal membuktikan tuntutannya untuk kelirupaan, akibat semula jadinya ialah tort campur tangan tak sah terhadap dagangan juga akan gagal (lihat perenggan 78 & 81–82).

(7) Mahkamah mempunyai bidang kuasa untuk memutuskan tuntutan balas defendan untuk penyalahgunaan proses kerana tindakan ini sendiri dan bukan apa-apa tuntutan anteseden yang menjadi isu. Walau apa pun, mahkamah mempunyai bidang kuasa sedia ada untuk membuat apa-apa perintah jika prosesnya disalahgunakan. Berdasarkan semua dapatan dan alasan di atas yang akhirnya membawa kepada keputusan mahkamah untuk menolak tuntutan plaintif terhadap defendan bagi campur tangan tak sah terhadap dagangan, mahkamah bersetuju dengan defendan bahawa pemfailan tindakan ini sendiri merupakan penyalahgunaan proses. Seterusnya, tindakan plaintif dalam mengemukakan di mahkamah ini satu perjanjian yang didakwa memberikan plaintif kedua hak eksklusif untuk mengeluarkan dan menjual minuman 'RED BULL', yang kesahihannya diragui oleh China Supreme Court dan WIPO, tidak lain hanyalah percubaan yang tidak berselindung, tidak menyenangkan dan tidak jujur oleh plaintif-plaintif untuk mencabar keputusan prosiding tersebut di China dan WIPO dengan keterangan dengan harapan untuk mendapatkan perintah yang bercanggahan daripada mahkamah ini bagi mengetepikan keputusan tersebut. Ini merupakan satu penyalahgunaan proses mahkamah yang serius dan berat (lihat perenggan 86–88 & 92–94).

(8) Mahkamah mendapati bahawa ganti rugi am sebanyak RM200,000 adalah munasabah kerana defendan telah dinafikan faedah dan penggunaan nama-nama domain tersebut selama dua tahun sejak keputusan WIPO. Ganti rugi teladan sebanyak RM300,000 menunjukkan bahawa mahkamah tidak berpuas hati dengan penyalahgunaan proses oleh plaintif. Mahkamah seterusnya memerintahkan bahawa semua ganti rugi yang diberikan dikenakan faedah pada kadar 5% setahun dari tarikh writ sehingga penyelesaian penuh (lihat perenggan 96 & 98).]

Cases referred to

Abdul Ghaffar bin Md Amin v Ibrahim bin Yusoff & Anor [2008] 3 MLJ 771, FC (refd)

British Telecommunications plc and another v One In A Million Ltd and others; and other actions [1998] 4 All ER 476, CA (refd)

Gasing Heights Sdn Bhd v Aloyah bte Abd Rahman & Ors [1996] 3 MLJ 259, HC (refd)

H & R Johnson (Malaysia) Bhd v H & R Johnson Tiles Ltd & Anor [1995] MLJU 54; [1995] 2 CLJ 581, HC (refd)

Hap Seng Plantations (River Estates) Sdn Bhd v Excess Interpoint Sdn Bhd & Anor [2016] 3 MLJ 553; [2016] 3 MLRA 345, FC (refd)

Hew Chai Seng (t/a Pertiland Trading Co) v Metronic Integrated System Sdn Bhd & Anor [2017] 7 MLJ 1, HC (refd)

Lee Lee Cheng (f) v Seow Peng Kwang [1960] 1 MLJ 1; [1959] 1 MLRA 246, CA (refd)

Malaysia Building Society Bhd v Tan Sri General Ungku Nazaruddin bin Ungku Mohamed [1998] 2 MLJ 425, CA (refd)

Megnaway Enterprise Sdn Bhd v Soon Lian Hock (sole proprietor of the firm Performance Audio & Car Accessories Enterprise) [2009] 3 MLJ 525, HC (refd)

Patel v Allos Therapeutics Inc [2008] All ER (D) 172 (Jun), Ch D (refd)

Petroliam Nasional Bhd & Ors v Khoo Nee Kiong [2003] 4 MLJ 216; [2003] 4 CLJ 303, HC (refd)

Reckitt and Colman Products Ltd v Borden Inc and others [1990] 1 All ER 873; [1990] 1 WLR 491, HL (refd)

SkyWorld Development Sdn Bhd & Anor v SkyWorld Holdings Sdn Bhd & Ors [2020] 3 MLJ 294; [2020] 3 MLJ 294, CA (refd)

Telekom Malaysia Berhad & Anor v CA Multimedia Sdn Bhd & Ors [2019] MLJU 1664, HC (refd)

Toth v Emirates [2012] All ER (D) 72 (Mar); [2012] FSR 26, Ch D (refd)

Yoyo.Email Ltd v Royal Bank of Scotland Group plc and others [2015] EWHC 3509 (Ch); [2016] All ER (D) 122 (Jan), Ch D (refd)

Legislation referred to

Courts of Judicature Act 1964 ss 18, 19, 20, 21, 22, 23, 23(1), (1)(a), (1)(b), (1)(c), (1)(d), 24, 24(a), (b), (c), (d), (e), (f), (g), 24A, 25, 25A, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, Part II

Federal Constitution art 121

Muhammad Azrul bin Abdul Hamid (with Liew Shie Ying and Chan Si Yuan) (Azrul, Liew & Co) for the plaintiffs.

PC Kok (with PC Ng) (PC Kok & Co) for the defendant.

Azlan Sulaiman JC:

OVERVIEW

[1] This case involves, inter alia, the question of whether our High Court has jurisdiction to review and set aside a decision by an administrative panel that was formed by the Arbitration and Mediation Centre ('the centre') of the World Intellectual Property Organization ('WIPO') on a complaint filed by the defendant against the first plaintiff under the Uniform Domain Name (Domain Name) Dispute Resolution Policy ('UDRP') and the Rules for Uniform Domain Name Dispute Resolution Policy ('the Rules').

THE SALIENT FACTS

[2] The defendant, a Thai company, has been manufacturing and selling beverages under the 'Red Bull' brand name for decades, and has trademarks registered in several countries, including 13 in Malaysia registered between 1988 and 2018.

[3] In 1995, the defendant and three other parties entered into a joint venture to produce and sell Red Bull vitamin energy drinks in China, with the second plaintiff as the joint venture company. Pursuant to the joint venture, license agreements were entered into for the second plaintiff to use the Red Bull trademarks. The license under those license agreements ran until 6 October 2016 and the business license of the second plaintiff expired on 29 September 2018. In that time, too, several trademarks using the Red Bull name or the Chinese equivalent were also registered in China (collectively, 'the China trademarks'). However, none of those license agreements permitted the plaintiffs to register or use any domain names using the Red Bull name.

[4] Nevertheless, on various dates between October 2001 and April 2015, multiple domain names using the Red Bull name or mark were created and registered, including the 11 domain names that are the subject of this action (collectively 'the domain names'). They are:

(a) <hongniu.cc>;

(b) <redbullbeijing.com>;

(c) <redbullchina.cc>;

(d) <redbullchina.com>;

(e) <redbullec.com>;

(f) <redbullein.com>;

(g) <redbull-sponsor.com>;

(h) <redbullwork.cc>;

(i) <redbull.work.com>;

(j) <'红牛'.net> (xn – – 1xv5x.net); and

(k) <'红牛'.tvt> (xn – – 1xv5x.tv).

[5] From between September 2018 to August 2019, without the defendant's knowledge or consent, the first plaintiff (an employee of the second plaintiff from 1 January 2012) acquired the domain names, by transfer. The registration agreement by which the first plaintiff is the registrant of the domain names ('the registration agreement') is between a company called Webnic ('Webnic') and the first plaintiff.

[6] By Civil Judgment No 166 [2018] of the Higher People's Court, Beijing Municipality, the defendant was adjudged to be the rightful and legal owner of the China trademarks ('the Beijing Higher People's Court decision'). On 21 December 2020, by Civil Judgment No 394 [2020], the Supreme Peopled Court of the Peoples Republic of China affirmed the Beijing Higher People's Court decision ('the judgment of the China Supreme Court'). That decision was final.

[7] On 27 April 2021, pursuant to the UDRP and the Rules, the defendant then filed a complaint against the first plaintiff, as the registrant of the domain names, with the centre. It was registered as Case No D2021–1297 ('the WIPO complaint') and referred to an administrative panel of three for adjudication ('the WIPO panel'). The relief the defendant sought, pursuant to s 41 of the UDRP, was for the transfer of the domain names from the first plaintiff to the defendant.

[8] The first plaintiff filed her response to dispute and challenge the WIPO complaint.

[9] On 31 August 2021, by a majority, the WIPO panel decided the WIPO complaint in the defendant's favour, and ordered the domain names to be transferred to the defendant ('the WIPO decision').

[10] On 24 September 2021, the plaintiffs filed this action. Their sole cause of action against the defendant is for unlawful interference with the plaintiffs' trade. In para 22 of their statement of claim they pleaded:

> The Defendant, knowing at all material times that the Domain Names were used and registered by the Plaintiffs in good faith, wrongfully and with intent to injure the Plaintiffs or any of them by filing the complaint against the Plaintiffs use and registration of the Domain Names with the WIPO.

Essentially, the plaintiffs' cause of action is that the filing of the WIPO complaint is in itself an unlawful interference with the plaintiffs' trade. A

[11] The relief it seeks are:

(a) a declaration that the plaintiffs' registration and use of the domain names are not in bad faith but are made in good faith; B

(b) a declaration that the plaintiffs have the rights or legitimate interests in the domain names;

(c) a declaration that the domain names do not infringe upon any of defendant's trademarks or cause confusion as to the origin, sponsorship, or approval of the website as the plaintiffs have the licence to use the defendant's trademarks; C

(d) an order that the WIPO administrative panel's decision dated 31 August 2021 be set aside and the domain names shall remain registered in the plaintiffs' names; D

(e) a permanent injunction to restrain the defendant, whether acting by themselves, their servants or agents, companies controlled or owned by them, whether jointly or severally or any of them or otherwise however from doing the following acts, that is to say, instituting any action against the plaintiffs for trademark infringement and/or passing off of the defendant's trademark; E

(f) general damages; F

(g) interest at the rate of 5% and/or at such rate and at such period as this honourable court deems fit;

(h) costs; and

(i) such further and/or other relief as this honourable court deems fit. G

[12] The defendant counterclaims against the plaintiffs for:

(a) passing off; H

(b) unlawful interference with the plaintiffs' trade; and

(c) abuse of legal process.

[13] This judgment is after a full trial of the plaintiffs' claim and the defendant's counterclaims. I

A THE ISSUES

The plaintiffs' claim

B **[14]** The issues to be determined for the plaintiffs' claim are:

(a) whether this court has jurisdiction to hear and adjudicate the plaintiffs' challenge to the WIPO decision?

(b) if this court has jurisdiction to hear and adjudicate the plaintiffs' challenge to the WIPO decision, whether it should grant the relief sought, including to set aside the WIPO decision? and

C

(c) whether the act of the defendant in filing the complaint with WIPO against the first plaintiff constitutes unlawful interference with the plaintiffs' trade?

D

The defendant's counterclaims

[15] As for the defendant's counterclaims, the issues to determined are:

E (a) whether this court has jurisdiction to hear and determine the defendant's counterclaim for passing off?

(b) if so, whether the plaintiffs' acts of registering and/or operating the domain names constitute passing off?

F (c) whether the plaintiffs have unlawfully interfered in the defendant's trade? and

(d) whether the defendant's action here is an abuse of process?

G *Consequential issue*

[16] The consequential issue is simply what relief should be ordered upon deciding all of the seven issues stated above.

H JURISDICTION TO HEAR AND ADJUDICATE THE PLAINTIFFS' CHALLENGE TO THE WIPO DECISION

The plaintiffs' case

I **[17]** The plaintiffs contend that para 4(k) of the UDRP read with cl 17.1 of the registration agreement confer jurisdiction on this court to hear and adjudicate the plaintiffs' challenge to the WIPO decision.

[18] Paragraph (k) of the UDRP provides:

Availability of Court Proceedings. The mandatory administrative proceeding requirements set forth in Paragraph 4 shall not prevent either you or the complainant from submitting the dispute to a court of competent jurisdiction for independent resolution before such mandatory administrative proceeding is commenced or after such proceeding is concluded. If an Administrative Panel decides that your domain name registration should be canceled or transferred, we will wait ten (10) business days (as observed in the location of our principal office) after we are informed by the applicable Provider of the Administrative Panel's decision before implementing that decision. We will then implement the decision unless we have received from you during that ten (10) business day period official documentation (such as a copy of a complaint, file-stamped by the clerk of the court) that you have commenced a lawsuit against the complainant in a jurisdiction to which the complainant has submitted under Paragraph 3(b)(xiii) (/resources/paoes/udrp-rules-2015–03–11-en#3bxiii) of the Rules of Procedure.

(In general, that jurisdiction is either the location of our principal office or of your address as shown in our Whois database. See Paragraphs 1 (/resources/oaqes/udrp-rules-2015–03–11-en#1 mutualjurisdiction) and 3(b)(xiii) (/resources/pages/udrp-rules-2015–03–11-en#3bxiii) of the Rules of Procedure for details.) If we receive such documentation within the ten (10) business day period, we will not implement the Administrative Panel's decision, and we will take no further action, until we receive: (i) evidence satisfactory to us of a resolution between the parties; (ii) evidence satisfactory to us that your lawsuit has been dismissed or withdrawn; or (iii) a copy of an order from such court dismissing your lawsuit or ordering that you do not have the right to continue to use your domain name.

[19] Clause 17.1 of the domain name agreement provides:

This Registration Agreement is governed by the laws of Malaysia and the Registrant hereby consents to the exclusive jurisdiction of the courts in Malaysia.

[20] Article 121 of the Federal Constitution provides for two High Courts of co-ordinate jurisdiction and status, namely the High Court in Malaya and the High Court in Sabah and Sarawak. It also provides that the High Courts:

shall have such jurisdiction and powers as may be conferred by or under federal law.

[21] In *Hap Seng Plantations (River Estates) Sdn Bhd v Excess Interpoint Sdn Bhd & Anor* [2016] 3 MLJ 553; [2016] 3 MLRA 345, Zulkifli Makinudin CJ (Malaya) said:

It is important to note that the Federal Constitution allows the High Court to have jurisdiction only as conferred by federal law.

[22] The 'federal law' referred to in art 121 of the Federal Constitution is the Courts of Judicature Act 1964 ('the CJA'). Part II of the CJA, consisting of ss 18–37, concerns the High Court. Sections 22–25A provide for the ambit of

A the original jurisdiction of the High Court; ss 26–30 provide for the ambit of the appellate jurisdiction of the High Court; and ss 31–37 provide for the ambit of the revision jurisdiction of the High Court.

B **[23]** Section 23(1) of the CJA expressly provides:

> Subject to the limitations contained in Article 128 of the Constitution the High Court shall have jurisdiction to try all civil proceedings where —
>
> (a) the cause of action arose;
>
> C (b) the defendant or one of several defendants resides or has his place of business;
>
> (c) the facts on which the proceedings are based exist or are alleged to have occurred; or
>
> D (d) any land the ownership of which is disputed is situated,
>
> within the local jurisdiction of the Court and notwithstanding anything contained in this section in any case where all parties consent in writing within the local jurisdiction of the other High Court.

E **[24]** Sections 24(a)–(g) of the CJA expressly provides for other specific instances in which the High Courts have civil jurisdiction.

[25] To bring themselves within s 23(1) of the CJA, the plaintiffs submitted F that, by the registration agreement, the parties had agreed to submit to the jurisdiction of the Malaysian Courts and thus satisfy the words 'where all parties consent in writing' in that last part of s 23(1) of the CJA. I wholly disagree with all of the plaintiff's arguments.

G **[26]** I find that none of those provisions of the CJA relating to the original jurisdiction of the High Court, or to the appellate jurisdiction of the High Court, or to the revision jurisdiction of the High Court apply here so as to confer on this court the jurisdiction to hear and determine any action to challenge a decision of an administrative panel formed under UDRP or the H Rules.

[27] I further find that none of limbs (a)–(d) of s 23(1) of the CJA are satisfied here, and none of those specific instances in ss 24(a)–(g) of the CJA involve or cover reviewing or setting aside an order made by WIPO. Thus, even I if the plaintiff were to successfully prove that the defendant was unlawfully interfering with the second plaintiffs' trade as pleaded, this court did not have jurisdiction or the power to make any order setting aside the WIPO decision.

[28] As for the words 'where all parties consent in writing' in that last part of

s 23(1) of the CJA, in my view they cannot be read independently, separately or disjunctively from the other words of that part. The words 'within the local jurisdiction of the Court' and 'within the local jurisdiction of the other High Court' necessarily refer to the two High Courts in art 121 of the Federal Constitution and to matters which would already fall within the jurisdiction of either High Court.

[29] If it ever were intended, apart from sub-s (1)(a)–(d) of s 23 of the CJA, that the High Courts would further have jurisdiction over disputes which any parties anywhere in the world could by private agreement agree to, then the CJA would have expressly contained a provision to that effect. For example, there would have been a limb (e) to s 23 of the CJA that provided 'in any instance where the parties have agreed that the High Court shall have jurisdiction'.

[30] Next, the registration agreement was between Webnic and the first plaintiff. The purport of cl 17.1 is what it says, namely that construction and interpretation of the terms of that registration agreement between them is by the laws of Malaysia and that the first plaintiff consents to the exclusive jurisdiction of the courts in Malaysia. But, as the registration agreement is a private arrangement or agreement between those two contracting parties and not the defendant, it does not by itself confer jurisdiction on this court; jurisdiction on this court can only be conferred by the Federal Constitution, and art 121 of the Federal Constitution expressly provides that the High Courts shall have only such jurisdiction and powers as may be conferred by or under federal law, in this case the CJA, a private agreement between contracting parties cannot override the express provisions of art 121 of the Federal Constitution or ss 23 and 24 of the CJA.

Conclusion

[31] I accordingly find that this court does not have jurisdiction to hear and adjudicate the plaintiffs' challenge to the WIPO decision.

IF THIS COURT HAS JURISDICTION TO HEAR AND ADJUDICATE THE PLAINTIFFS' CHALLENGE TO THE WIPO DECISION, WHETHER IT SHOULD GRANT THE RELIEF SOUGHT, INCLUDING TO SET ASIDE THE WIPO DECISION

[32] In spite of my finding that this court does not have jurisdiction to hear and adjudicate the plaintiffs' challenge to the WIPO decision, for completeness, I will still proceed to decide this issue on the assumption that this court does have that jurisdiction. As I believe there are no decisions on point in Malaysia, it may be helpful to look at other decisions from other jurisdictions.

[33] Under para 4(a) of the UDRP, a complaint is lodged for any one of the following reasons:

(a) that the domain name is identical or confusingly similar to a trade or service mark in which the complainant has rights;

(b) that the registrant does not have any rights or legitimate interests in respect of the domain name; and

(c) that the domain name was registered and is being used in bad faith.

[34] Under para 4(i) of the UDRP, the remedies upon a successful complaint are limited cancelling the disputed domain name or transferring it to the complainant.

[35] The defendant here complained to WIPO on all three scores, and the administrative panel found for the defendant on all three, and ordered the domain names to be transferred to the defendant. Thus, the relief the plaintiffs seek (see para 11 above) are in effect asking this court to make an independent, contrary and opposite finding to the WIPO decision.

[36] In *Yoyo.Email Ltd v Royal Bank of Scotland Group plc and others* [2015] EWHC 3509 (Ch); [2016] All ER (D) 122 (Jan), the claimant had registered four domain names, rbsbank.email, rbs.email, natwest.email and coutts.email through an internet service provider from Arizona. The defendants were the registered proprietors of the trademarks 'RBS', 'RBSBANK', 'NATWEST' and 'COUTTS'. They lodged a complaint with WIPO pursuant to the UDRP and the Rules that their rights were being infringed. WIPO ordered that the domain names be transferred to the defendants. The claimant then commenced the action in the Chancery Division of the High Court of Justice seeking, inter alia, nine specific declarations and an omnibus all-encompassing one, ie 'and/or declarations in substantially similar terms and/or to the like effect'. Of the nine specific ones, declarations (c)–(g) sought by the claimant are quite similar to the ones sought by the plaintiffs in this action. They are:

(c) the Claimant has rights or legitimate interests in the domain names;

(d) the Claimant did not register the domain names in bad faith;

(e) the Claimant has not used and is not using the domain names in bad faith;

(f) the Claimant has not committed and does not threaten or intend to commit any act of passing off by use or possession of the domain names;

(g) the Claimant has not infringed and does not threaten or intend to infringe the Claimant's registered trademarks.

[37] Amongst Dight J's conclusions were:

(a) on a proper construction of UDRP, cl 4(k) does not give rise to a separate cause of action in favour of the claimant, nor does it afford any jurisdiction to the court to act as an appeal or review body from the decision; and

(b) there is no practical utility in granting declaratory relief because the UDRP scheme has dealt with the issue between the parties, and any declaration made by this court could not alter the findings of the panel.

[38] I agree with all three decisions, and concur with their observations, reasons and reasoning. It is not one of the functions of this court to act as a judicial review or appellate body of any decision made under the UDRP scheme. I also find that there is no practical utility in granting declaratory relief because the UDRP scheme has dealt with the issue between the parties, and any declaration made by this court could not alter the findings of the administrative panel.

[39] The English case of *Patel v Allos Therapeutics Inc* [2008] All ER (D) 172 (Jun) also involved a similar situation as ours here. The plaintiff had registered the domain name 'allostherapeutics.com' and the defendant submitted a complaint to WIPO pursuant to the UDRP and the Rules for that domain main to be transferred to it, which the administrative panel set up by WIPO had ordered. The plaintiff then filed an action in the Chancery Division of the High Court of Justice in England to challenge the administrative panel's decision.

[40] In para 8 of her judgment, Ms Sonia Proudman QC (sitting as a Deputy Judge of the Chancery Division) provided some insight into the UDRP. She said:

> 8. UDRP constitutes what is now the universal international system of dot-com domain name governance, initiated by the World Intellectual Property Organisation ('WIPO'), a treaty-based agency of the United Nations. UDRP is incorporated into registration contracts worldwide. The UDRP Policy and Rules are not co-extensive with the intellectual property law of any particular jurisdiction, but they establish, contractually, a mandatory administrative procedure to govern disputes between trademark owners and domain name registrants: see paragraph 1 of the UDRP Policy. The enforcement of the UDRP process is based entirely on private contract governing the circumstances in which a domain name registration may be maintained. Thus, the terms of the contract (to which a complainant is not a party) between registrant and Registrar concerning domain name registration are distinct as a matter of law from the question whether there has been an infringement of the complainants intellectual property rights under the law of any particular country.
>
> 9. Paragraph 4 of the UDRP Policy requires a registrant to submit to a mandatory administrative arbitration procedure (with an approved dispute resolution provider

and presided over by an approved neutral Panel) in the event that a third party makes a complaint about the registrants use of the domain name. The complaint will be upheld if the complainant can prove three matters:

(a) that the domain name is identical or confusingly similar to a trade or service mark in which the complainant has rights;

(b) that the registrant does not have any rights or legitimate interests in respect of the domain name; and

(c) that the domain name was registered and is being used in bad faith.

[41] In para 15 of her judgment, she then said of para 4(k) of the UDRP:

> Paragraph 4(k) of the Policy appears to assume that the court to whom the matter is referred may be able to review the Panellist's decision on its merits, because the paragraph speaks of 'referring the dispute' to the court for 'independent resolution'. *However, it is trite law that an agreement cannot confer a jurisdiction on the court which it does not otherwise have. Under the Policy the Registrar will abide by a judicial decision, but the function of this court is not as a judicial review or appellate body*. The claimant must demonstrate some independent right of action justiciable in this court. Thus, if a complaint is dismissed, the complainant may refer the case to the court for an order that its trademark has been infringed.
>
> If, on the other hand, the complaint is upheld, the burden is not on the complainant to establish infringement. It is for the registrant to plead and prove a cause of action giving him an interest in retaining the domain name. An unsuccessful registrant therefore faces considerable difficulty in identifying a cause of action upon which the Panel's decision can be challenged. (Emphasis added.)

[42] In *Toth v Emirates* [2012] All ER (D) 72 (Mar); [2012] FSR 26, the plaintiff registered a domain name containing the name 'Emirates', which the defendant airline objected to. The defendant filed a complaint against the plaintiff, which was to be resolved by what is known as the Nominet dispute resolution system. Once lodged, an expert would be appointed to determine whether the registered domain name was an abusive registration, and if so he would also grant the remedy. The expert allowed the defendant's complaint and made an order for the plaintiff to transfer the domain name to the defendant. The plaintiff then filed proceedings in the High Court (Chancery Division) seeking declarations that, inter alia, he had not made an abusive registration. The defendant applied to strike out the claim. In allowing the defendant's application, Mann J said in paras 51(i) and (ii) of his judgment:

> The overall mechanism is much more consistent with the conclusion that the question is one for the expert alone. The whole concept of abusive registration has no significance until a complainant complains, and when he does a clear mechanism is provided for dealing with it. No independent cause of action based on 'abusive registration' existed before then or is created at that moment. What is created is a question for the expert to decide.
>
> *That leaves no room for parallel (or consecutive) court proceedings on the point. Looking*

> *at the scheme as a whole, it was apparently intended to create a self-contained dispute resolution mechanism which is closely regulated, cheap, quick and (apparently) efficient. To add a parallel route of applying to court (which I fear would not always attract all those adjectives) would be mimical to the apparent intention of the parties.* (Emphasis added.)

[43] A further point is this. At the commencement of the oral submissions on 15 September 2023, learned counsel for the parties agreed that the background facts as set out extensively in both the China Supreme Court decision and the WIPO decision were accurate and correctly depicted the background facts to the disputes, and that the plaintiff's grouse was with the outcomes.

[44] As the WIPO decision was based on the facts, then this court should not interfere with or second guess the administrative panel's findings and decision.

[45] Further, whilst para 4 speaks of a 'mandatory administrative proceeding', para 4(k) offers the disputants an opt-out option, by 'submitting the dispute to a court of competent jurisdiction for independent resolution before such mandatory administrative proceeding is commenced'. If they did not opt-out, then they are bound by the decision of the panel that decides their dispute. Having opted to stay in, submitting that same dispute to court would be asking for a second bite at the cherry, akin to a *de novo* re-hearing of the dispute.

Conclusion

[46] I therefore find that, even if this court has jurisdiction to hear and adjudicate the plaintiffs' challenge to the WIPO decision, it should not grant the relief sought, including to set aside the WIPO decision.

THE PLAINTIFFS' CLAIM FOR UNLAWFUL INTERFERENCE WITH THEIR TRADE

[47] In *H & R Johnson (Malaysia) Bhd v H & R Johnson Tiles Ltd & Anor* [1995] MLJU 54; [1995] 2 CLJ 581 Zakaria Yatim J (as he then was) said:

> If one person deliberately interferes with the trade or business of another, and does so by unlawful means, that is, by an act which he is not at liberty to commit, then he is acting unlawfully, even though he does not procure or induce any actual breach of contract:
>
> > *Torquay Hotel Co Ltd v Cousins & Ors* [1969] 2 Ch 106, 139 per Lord Denning MR.

[48] In *Megnaway Enterprise Sdn Bhd v Soon Lian Hock (sole proprietor of the firm Performance Audio & Car Accessories Enterprise)* [2009] 3 MLJ 525, Low Hop Bing J (as he then was) said:

> The elements which constitute the tort of unlawful interference with trade or business are:
>
> (1) interference with the plaintiff's trade or business;
>
> (2) unlawful means;
>
> (3) intention to injure the plaintiff; and
>
> (4) the plaintiff is injured thereby.

[49] As I had mentioned earlier, the sole act of the defendant which the plaintiffs base this cause of action on is the filing of the WIPO complaint.

[50] I would dismiss this claim on the basis that the plaintiffs have failed to establish any of those elements for the tort of unlawful interference with trade or business.

[51] Firstly, the first plaintiff has no trade or business of her own to be interfered with. In para 1 of the statement of claim she says she is an employee of the second plaintiff.

[52] Secondly, the defendant filed the complaint only against the first plaintiff. Thus, the filing of the complaint could not have interfered with the second plaintiff's trade.

[53] Thirdly, in my view, a claimant who brings an action to protect his legal rights and uses all remedies afforded to him by the law to do so cannot be said to be interfering with the trade of the respondent to that action, unless he knew that he never had a cause of action in the first place and that he had proceeded with that action to extort or obtain a relief he was never entitled to in law.

[54] I find that the defendant's filing of the complaint with WIPO against the plaintiffs' use and registration of the domain names with the IPO was an action to protect his rights and use all remedies afforded to him by the law, and the relief it sought was one it was entitled to under the UDRP and one which the administrative panel could grant.

[55] Consequently, there was also no unlawful means whatsoever in the defendant's filing of the complaint against the plaintiffs with WIPO, nor could there have been any intention to injure any of the plaintiffs. The order in the WIPO Decision for the domain names to be transferred to the defendant is

provided for under para 4(i) of the UDRP, is the result of the successful action by the defendant to protect its rights, and cannot constitute an 'injury' to the plaintiffs.

[56] Fourthly, the relief for a successful action for the tort of unlawful interference with trade is damages, with interest thereon and costs — which are reliefs (6), (7) and (8) sought by the plaintiffs — and perhaps an injunction to restrain those acts of interference.

[57] However, reliefs (1)–(5) are simply not available to the plaintiffs and cannot be ordered, even if the plaintiffs had successfully proved that the defendant had unlawfully interfered with its trade (which it did not).

[58] In particular, I find that this court cannot make any order that the WIPO administrative panel's decision dated 31 August 2021 be set aside, or order that the domain names remain registered with in the plaintiffs' names.

[59] In *Lee Lee Cheng (f) v Seow Peng Kwang* [1960] 1 MLJ 1; [1959] 1 MLRA 246 Thomson CJ said:

> It is axiomatic that when different words are used in a statute they refer to different things and this is particularly so where the different words are, as here, used repeatedly. This leads to the view that in the Ordinance there is a distinction between the jurisdiction of a court and its powers, and this suggests that the word 'jurisdiction' is used to denote the types of subject matter which the court may deal with and in relation to which it may exercise its powers. It cannot exercise its powers in matters over which, by reason of their nature or by reason of extra-territoriality, it has no jurisdiction. On the other hand, in dealing with matters over which it has jurisdiction, it cannot exceed its powers.

[60] In *Abdul Ghaffar bin Md Amin v Ibrahim bin Yusoff & Anor* [2008] 3 MLJ 771, Abdul Hamid Mohamed CJ approved of this passage in *Lee Lee Cheng (f)*, following which His Lordship then said:

> In other words, the powers may be exercised if the court has the jurisdiction to exercise it in the first place.

[61] As this court had no jurisdiction of review or appeal over the WIPO decision, it had no power to set it aside.

Conclusion

[62] I accordingly find that the plaintiffs' action for unlawful interference with trade fails and I therefore dismiss it with costs.

A THE DEFENDANT'S COUNTERCLAIM FOR PASSING OFF

[63] I find it appropriate to deal with the two issues relating to passing off together.

B

[64] The law relating to passing off is settled. One of the most oft-quoted cases for the general principles for passing off is *Reckitt and Colman Products Ltd v Borden Inc and others* [1990] 1 All ER 873; [1990] 1 WLR 491, in which Lord Oliver of Aylmerton said:

C

> The law of passing off can be summarised in one short general proposition — no man may pass off his goods as those of another ...

[65] Lord Oliver of Aylmerton then set out the three prerequisites for establishing passing off:

D

> First, he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. Whether the public is aware of the plaintiff's identity as the manufacturer or supplier of the goods or services is immaterial, as long as they are identified with a particular source which is in fact the plaintiff. For example, if the public is accustomed to rely upon a particular brand name in purchasing goods of a particular description, it matters not at all that there is little or no public awareness of the identity of the proprietor of the brand name. Thirdly, he must demonstrate that he suffers or, in a quia timet action, that he is likely to suffer damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff.

E

F

G

Goodwill and reputation

H

[66] In respect of goodwill and reputation the defendant pleaded as follows in para 44 of its defence and counterclaim:

I

(a) the defendant has used (and continues to use) its RED BULL trademarks, brands and names in Malaysia from at least since 1996, by which sales of the defendant's beverage products using the RED BULL trademarks, brands and names in Malaysia has reached hundreds of millions of Ringgit;

(b) the defendant has also used the RED BULL trademarks, brands and names through various channels, platforms, media and medium, and they have been featured in many Malaysian sports media such as in magazines and newspapers; and

(c) the defendant has also promoted its RED BULL trademarks, brands and names via the sponsorship of many sporting events in Malaysia including sponsorship of international events such as the international Formula 1 Grand Prix Racing which has wide audiences in Malaysia and internationally.

[67] I find on the evidence that the defendant does have goodwill and reputation in the RED BULL marks in Malaysia. This is not just demonstrated by the decades of trade in several countries and from the trademarks it has registered in multiple jurisdictions, but also by the fervour in which the plaintiffs themselves have sought over many years now to continue to use the domain names.

Misrepresentation

[68] For misrepresentation, the defendant contends:

(a) that the plaintiffs' registration and use of the domain names constitute misrepresentations made by them to the innocent, unwary and unsuspecting members of the public, consumers, customers and members of the trade that the plaintiffs are connected or associated with the defendant and/or the defendant's RED BULL trademarks, brands and names, and that there is an ongoing and continued trade association, connection and relationship between the plaintiffs and the defendant;

(b) that the motive, plan and intention of the plaintiffs in using the subject domain names which consist of the defendant's RED BULL trademarks, brands and names is to deceive the public by falsely portraying themselves as part of the defendant's group of companies and/or as the defendant's lawful licensee and/or that the plaintiffs' business and products are the defendant's business and the defendant's products; and

(c) that the domain names are instruments of frauds which enable the tort of passing off to be committed and any use of the said subject domain names would result in passing off which would tarnish and cause dilution and/or irreparable injury, losses, harm and damage to the defendant and the defendant's business, trade, reputation, goodwill and its RED BULL trademarks, brands and names.

[69] The defendant relies considerably on the case of *British*

Telecommunications plc and another v One In A Million Ltd and others; and other actions [1998] 4 All ER 476, in that case, the defendants were dealers in internet domain names, which they would register and then sell. These included domain names for use on the internet of well-known names and trademarks, without the consent of the person or company owning the goodwill in the name or trademark. They had registered such domain names using the names and trademarks of the well-known plaintiffs, namely British Telecommunications plc, Marks & Spencer plc, J Sainsbury plc, Virgin Enterprises Ltd, Telecom Securicor Cellular Radio Ltd and Ladbrokes plc. The plaintiffs thus brought claims against the defendants for passing off, trademark infringement, etc.

[70] Aldous LJ said:

> It is accepted that the name Marks & Spencer denotes Marks & Spencer plc and nobody else. Thus, anybody seeing or hearing the name realises that what is being referred to is the business of Marks & Spencer plc. It follows that registration by the appellants of a domain name including the name Marks & Spencer makes a false representation that they are associated or connected with Marks & Spencer plc. This can be demonstrated by considering the reaction of a person who taps into his computer the domain name marksandspencer.co.uk and presses a button to execute a 'who is' search. He will be told that the registrant is One In A Million Ltd. A substantial number of persons will conclude that One In A Million Ltd must be connected or associated with Marks & Spencer plc. That amounts to a false representation which constitutes passing off.
>
> Mr Wilson submitted that mere registration did not amount to passing off. Further, Marks & Spencer plc had not established any damage or likelihood of damage. I cannot accept those submissions. The placing on a register of a distinctive name such as marksandspencer makes a representation to persons who consult the register that the registrant is connected or associated with the name registered and thus the owner of the goodwill in the name. Such persons would not know of One In A Million Ltd and would believe that they were connected or associated with the owner of the goodwill in the domain name they had registered. Further, registration of the domain name including the words Marks & Spencer is an erosion of the exclusive goodwill in the name which damages or is likely to damage Marks & Spencer plc.
>
> Mr Wilson also submitted that it was not right to conclude that there was any threat by the appellants to use or dispose of any domain name including the words Marks & Spencer. He submitted that the appellants, Mr Conway and Mr Nicholson, were two rather silly young men who hoped to make money from the likes of the respondents by selling domain names to them for as much as they could get. They may be silly, but their letters and activities make it clear that they intended to do more than just retain the names. Their purpose was to threaten use and disposal sometimes explicitly and on other occasions implicitly. The judge was right to grant *quia timet* relief to prevent the threat becoming reality. I also believe that domain names comprising the name Marks & Spencer are instruments of fraud. Any realistic use of them as domain names would result in passing off and there was

ample evidence to justify the injunctive relief granted by the judge to prevent them being used for a fraudulent purpose and to prevent them being transferred to others.

[71] In *Petroliam Nasional Bhd & Ors v Khoo Nee Kiong* [2003] 4 MLJ 216; [2003] 4 CLJ 303, the plaintiffs discovered that the defendant had registered the following domain names for purposes of sale:

(a) 'petronas-dagangan.com';

(b) 'petronasgas.com';

(c) 'mypetronasdagangan.com'; and

(d) 'mypetronas.com'.

They filed an action against the defendant for, inter alia, passing off, and also applied for an interim injunction restraining the defendant from using those domain names until the trial of the action. In granting the injunction, Su Geok Yiam JC (as she then was) referred to *British Telecommunications*, said:

> Similarly here, in the instant case, the defendant by registering the said domain names which contain the word 'Petronas' which has not only become a household name in Malaysia but is also well known internationally there is a serious issue to be tried in that the defendant is making a false representation to persons who consult the register that the registrant Araneum Consulting Services is connected or associated with the name registered and thus the owner of the goodwill in the name Petronas. Such persons would not know of the defendant and would believe that the defendant was connected or associated with the plaintiffs who are the owners of the goodwill in the said domain names. By registering the said domain names the defendant has eroded the exclusive goodwill in the name Petronas which damages the plaintiffs. In my view, the said domain names are instruments of fraud and any realistic use of them as domain names would result in passing off. This would cause irreparable injury and damage to the plaintiffs and by virtue of this the balance of convenience tilts in favour of the plaintiffs. Therefore, as the plaintiffs have provided an undertaking as to damages the interim injunction sought for ought to be granted.
>
> The plaintiffs have sufficiently demonstrated that since the said domain names contain the word Petronas the court can assume that the intention of the defendant in using the said domain names is to deceive the public by passing off himself as part of the Petronas group of companies or his business or products as those of the plaintiffs. In the circumstances of this case, the court is satisfied that the plaintiffs have shown that there is a threat of passing off and trademark infringement on the defendant's part which is likely to cause confusion in the minds of the present and potential consumers of the plaintiffs' products thereby resulting in irreparable injury and damage to the plaintiffs, trade, business and goodwill.

[72] In *Telekom Malaysia Berhad & Anor v CA Multimedia Sdn Bhd & Ors* [2019] MLJU 1664, the defendants had registered the domain names

www.tmpoint.com and 'TM Point', and the plaintiffs brought an action against them, including for passing off. In his judgment, Lim Chong Fong J (now JCA) said:

> As for misrepresentation, I reiterate my findings in paras [52] and [54] above. I adopted the same principles of comparison as in trademark infringement following *Leo Pharmaceutical Products Ltd AS (Lovens Kemiske Fabrik Produktionsaktiesselskab) v Kotra Pharma (M) Sdn Bhd* [2009] 5 MLJ 703. In short, I am also satisfied that there is a real likelihood that the Malaysian public would be deceived that the TMPOINT Website is associated or connected with the plaintiffs following the objective test as laid down in the cases of *Ho Tack Sien & Ors v Rotta Research Laboratorium SpA & Anor (Registrar of trademarks, Intervener)* [2015] 4 MLJ 166 and *TC Pharmaceutical Industries Co Ltd & Anor v Koay Sai Leat & Ors* [2016] 8 MLJ 779. Moreover in *Eignretep Logistics (S) Sdn Bhd v ESB Haulage Services Sdn Bhd & Others* [2010] MLJU 1161, it was held that confusion would be readily inferred in relation to identical goods (services).

[73] During oral submissions, I posed to learned counsel for the defendant that, if the defendant contended that this court did not have jurisdiction to hear and decide the plaintiffs' claims against the defendant because none of limbs (a)–(d) of s 23(1) of the CJA applied and that the plaintiffs do not conduct any business or even sales in Malaysia and have never used any of the RED BULL trademarks in Malaysia, then how would the court then have jurisdiction to hear and decide the defendant's claims for passing off against the plaintiffs. His response was that, based on *British Telecommunications*, the fact that the domain names will appear when an online search is made of RED BULL by anyone in Malaysia constitutes a misrepresentation for passing off in Malaysia.

[74] I do not agree. To adopt that stand would mean that simply anyone who uses the RED BULL trademarks or name anywhere in the world would be committing passing off in Malaysia, even if they did not have any presence here or conduct any trade here. That would be too far-reaching.

[75] In *British Telecommunications*, Aldous LJ said that the 'registration by the appellants of a domain name including the name Marks & Spencer makes a false representation that they are associated or connected with Marks & Spencer plc'. It was thus the act of registration of those domain names that constituted the false representation for passing off.

[76] As the plaintiffs had registered the domain names in China, the defendant's cause of action for passing off arose in China, not here.

Conclusion

[77] I therefore find that this court has no jurisdiction to hear and decide the defendant's counterclaim for passing off and that, even if it did, the defendant has failed to establish the necessary ingredient of misrepresentation. I therefore dismiss this counterclaim for passing off with costs.

Counterclaim for unlawful interference with the defendant's trade

[78] The defendant's allegations for its counterclaim for passing of process is pleaded in paras 52–54 of its defence and counterclaim. Essentially, the defendant contends that, by committing passing off, the plaintiffs have committed the tort of unlawful interference with the defendant's business and trade.

[79] In *Hew Chai Seng (t/a Pertiland Trading Co) v Metronic Integrated System Sdn Bhd & Anor* [2017] 7 MLJ 1, Azizah Nawawi J (now JCA) held that the defendant had committed the tort of unlawful interference with trade since it had committed trademark infringement and passing off.

[80] In the Court of Appeal decision in the *SkyWorld Development Sdn Bhd & Anor v SkyWorld Holdings Sdn Bhd & Ors* [2020] 3 MLJ 294; [2020] 3 MLJ 294, Kamaludin Md Said JCA said:

> We agreed with the plaintiffs, submission that once the plaintiffs have established their claim(s) for trademark infringement and/or passing off, it is a natural consequence that the tort of unlawful interference with trade will also be made out (*Hew Chai Seng (t/a Pertiland Trading Co) v Metronic Integrated System Sdn Bhd & Anor* [2017] 7 MLJ 1 at p 15 (para 45)).

[81] However, as I have already found that the defendant failed in its counterclaim for passing off, then the converse would also be true. Borrowing the words of Kamaludin Md Said JCA in *SkyWorld Development*, by failing to establish its claim for passing off, the natural consequence would be that the tort of unlawful interference with trade would likewise fail.

Conclusion

[82] I find that the defendant's claim for passing fails, and I therefore dismiss it with costs.

COUNTERCLAIM FOR ABUSE OF LEGAL PROCESS

[83] In *Malaysia Building Society Bhd v Tan Sri General Ungku Nazaruddin bin Ungku Mohamed* [1998] 2 MLJ 425, Gopal Sri Ram JCA (as he then was) said:

> In my judgment, the essential elements of the tort of abuse of process are these:

(1) The process complained of must have been initiated;

(2) The purpose for initiating that process must be some purpose other than to obtain genuine redress which the process offers. In other words, the dominant purpose for which the process was invoked must be collateral, that is to say, aimed at producing a result not intended by the invocation of the process; and

(3) The plaintiff must have suffered some damage or injury in consequence.

[84] In *Gasing Heights Sdn Bhd v Aloyah bte Abd Rahman & Ors* [1996] 3 MLJ 259, Mahadev Shankar J (as he then was) said:

> It seems to me that some of the passages quoted from the text books requires qualification. I therefore propose to analyse the cases cited. But before I do that I want to say in the most emphatic terms that, if a litigant brings an action to protect his rights (as the defendants did in filing the motion), the use of all remedies afforded to them by the law cannot be an abuse of the court's process.
>
> As to what constitutes an abuse of process, it would salutary to remind ourselves that in *Grainger v Hill* (1838) 4 Bing NC 212, it was obvious that the plaintiff knew he never had a cause of action in the first place. Secondly, he proceeded with his action in order to extort a relief he was never entitled to in law.

[85] The defendant's allegations for its counterclaim for abuse of process is pleaded in paras 40–43 of its defence and counterclaim. In essence, the defendant alleges that the filing of this action itself constitutes an abuse of process. The allegations may be summarised as follows:

(a) the plaintiffs knew they have no cause of action against the defendant;

(b) the plaintiffs knew they have no trademark rights (no trademark registrations for RED BULL) or any associated goodwill or reputation in Malaysia or in China or anywhere else in the world;

(c) the plaintiffs have no trade or business in Malaysia;

(d) the plaintiffs filed the present action not for any real or genuine cause of action but for the ulterior motive and/or collateral purpose of frustrating the execution of the WIPO decision that requires the first plaintiff to transfer the subject domain names to the defendant;

(e) the plaintiffs' claims against the defendant are therefore wholly unjustified in law;

(f) the plaintiffs have unreasonably and wrongfully used the legal process of the court for their ulterior motive and collateral purpose of frustrating and obstructing the execution of the WIPO decision; and

(g) thus, this action by the plaintiffs have caused the defendant to suffer loss and damage.

[86] On a matter of jurisdiction, I find that this court has jurisdiction to decide this counterclaim, as it is this action itself and not any antecedent claim that is in issue, in any event, this court has inherent jurisdiction to make any order if its process is abused.

[87] I agree with all of the defendant's allegations. Further, based on all of my findings and reasons above against the plaintiffs that culminated in my dismissing the plaintiffs' claim against the defendant for unlawful interference with trade, for those some reasons I agree with the defendant that the filing of this action itself constitutes an abuse of process.

[88] To further support that finding is the plaintiffs' allegations surrounding an alleged agreement dated 10 November 1995 by which the plaintiffs contend that the second plaintiff had been given the exclusive right to manufacture and sell RED BULL drinks bearing the RED BULL trademarks in China for 50 years ('the disputed agreement'). The plaintiffs allege that the disputed agreement is authentic, is valid, enforceable and binding on the defendant, and that the WIPO decision is wrong because the administrative panel had rejected it and/or failed to consider it.

[89] The WIPO Decision shows that the disputed agreement was considered in the course of deciding whether the domain names were registered and used in bad faith. This is what the WIPO decision records (at p 11, last paragraph to p 12, first paragraph):

> The Respondent asserts that she was an employee of Red Bull Vitamin Drink Co Ltd at the time when she acquired the disputed domain names, but she has failed to substantiate that assertion for the reasons given in Section 6.2B above. In any case, the Respondent failed to substantiate her claim that Red Bull Vitamin Drink Co Ltd has the exclusive right to use the RED BULL trademarks in mainland China. *She refers to an alleged 50-year trademark license, but the Supreme People's Court of China declined to accept that document in the RED BULL trademark ownership litigation because its authenticity is dubious*. She relies on a copy of the same document in this proceeding, albeit with a new expert opinion identifying a signature.
>
> The Respondent also raised the 1995 joint venture agreement hut the Panel notes that in subsequent license agreements Red Bull Vitamin Drink Co Ltd repeatedly confirmed that the Complainant owned the relevant trademarks. The evidence shows that the registered proprietor of the RED BULL trademarks, including in China, is the Complainant. Accordingly, the Panel finds that the Respondent targeted the Complainant's trademarks when she acquired the disputed domain names and registered them in bad faith. (Emphasis added.)

[90] I note from the judgment of the China Supreme Court decision that the second plaintiff actually withdrew the disputed agreement during the hearing

at first instance before the Beijing Higher Peoples Court without producing the original. This is evident from the following paragraph in the judgment of the China Supreme Court which has been translated as follows:

> During the second trial of the Court, both parties submitted evidence regarding the appeal request in accordance with the law. The court organised an exchange of evidence and cross-examination between the parties. This facts in dispute between the parties in the second trial were determined by the Courts as follows:
>
> The Red Bull Company divided the evidence of the first trial and the supplementary evidence of the second trial into three groups after collation. In the first group of evidence, Exhibit 2 (Transcripts of the examination in the first trial) are new evidence, and for both parties recognized its authenticity.
>
> In the second group of evidence, Exhibit 6: the agreement signed on 10th November 10 1995 by the Food Corporation, Sinohao Group, Red Bull Vitamin Drink (China) Co Ltd and TC Company with a validity period of 50 years, and the confirmation letter issued by China National Food Industry (Group) Co Ltd Sinohao Group, Beijing Huairou District Township Enterprise Corporation.
>
> After investigation, *it was found that Red Bull Company provided the agreement in the first trial and then withdrew it, and did not provide the original in the first and second trials. The court held that the Red Bull Company failed to provide the original agreement, and even with the confirmation letter issued by China Food Industry (Group) Co, the authenticity of the agreement is still in doubt and the Court rejected it. In addition, Red Bull Company provided several pieces of evidence from the other three Red Bull Companies outside the case, either authenticity is difficult to determine or lacks evidence to the case, this Court did not accept it.* (Emphasis added.)

[91] As I said earlier, learned counsel for the plaintiffs accepted the translation as being accurate of the proceedings in the China Supreme Court.

[92] There are two points to be made on this. First, as the second plaintiff had withdrawn the disputed agreement as evidence in the Beijing High Court proceedings that led to the proceedings in the China Supreme Court, and as the China Supreme Court had held that its authenticity was in doubt because the second plaintiff had not produced the original, then the administrative panel was not wrong in following the China Supreme Court's finding that the first plaintiff had failed to substantiate her claim that Red Bull Vitamin Drink Co Ltd has the exclusive right to use the RED BULL trademarks in mainland China.

[93] Second and more crucial, the plaintiffs now attempt to use the disputed agreement here backed by alleged evidence of its authenticity they claim to have procured in 2022, which is in any event after both the China Supreme Court proceedings and the WIPO proceedings had concluded. Adducing it here now before this court is nothing short of an undisguised, unsavoury and disingenuous attempt by the plaintiffs to challenge the outcome of those

proceedings in China and WIPO on evidence that those forums held to be dubious in the hope of extract in a conflicting order from this court to override them. In my mind, that constitutes a serious and grave abuse of the process of this court.

Conclusion

[94] I therefore find for the defendant on this counterclaim, and find that this action filed by the plaintiffs is an abuse of the process of the court.

CONCLUSION AND RELIEF

[95] In conclusion, I dismiss the plaintiffs' claim for unlawful interference with trade against the defendant, and allow the defendants' claim against the plaintiffs for abuse of the process of the court.

[96] I accordingly make the following orders/relief:

(a) the plaintiff's action against the defendants is dismissed, with costs;

(b) the defendants' claim against the plaintiffs for abuse of the process of the court is allowed;

(c) a declaration that in filing this action the plaintiffs have committed the abuse of the process of this court against the defendant;

(d) an order that the plaintiffs do pay general damages of RM200,000 to the defendant for abuse of the process of this court;

(e) an order that the plaintiffs do further pay exemplary damages of RM300,000 to the defendant for abuse of the process of this court;

(f) an order all damages awarded bear interest at the rate of 5%pa from the date of the writ (ie 24 September 2021) until full settlement; and

(g) an order that the plaintiffs pay costs of RM100,000 to the defendant, subject to allocator.

[97] I have ordered those sums of damages without assessment to avoid this court being subjected to any prolonged or protracted assessment of damages.

[98] In my view, general damages of RM200,000 are reasonable as the defendant has been deprived of the benefit and use of the domain names for two years since the WIPO decision. Exemplary damages of RM300,000 evince this court's displeasure on the plaintiff's abuse of its process.

Plaintiff's action dismissed; defendant's counterclaim against plaintiffs for abuse of

court allowed with costs of RM100,000 to be paid by plaintiffs to defendant, subject to allocator.

Reported by Dzulqarnain Ab Fatar